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# Globalization and interdependence

## Report of the Second Committee

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## I. Introduction

1. At its 19th plenary meeting, on 20 September 2002, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-seventh session the item entitled "Globalization and interdependence" and to allocate it to the Second Committee.

2. The Second Committee considered the item at its 23rd, 27th and 44th meetings, on 1 and 7 November and 11 December 2002. An account of the Committee's discussion of the item is contained in the relevant summary records (A/C.2/57/SR.23, 27 and 44). Attention is also drawn to the general debate held by the Committee at its 2nd to 8th meetings, from 30 September to 3 October 2002 (see A/C.2/57/SR.2-8).

3. For its consideration of the item, the Committee had before it the following documents:

(a) Report of the Secretary-General on globalization and interdependence (A/57/287);

(b) Letter dated 14 June 2002 from the Permanent Representative of the Russian Federation to the United Nations addressed to the Secretary-General, transmitting the Declaration by the heads of State of the members of the Shanghai Cooperation Organization, signed in St. Petersburg on 7 June 2002 (A/57/88-S/2002/672);

(c) Letter dated 20 September 2002 from the Permanent Representative of the Sudan to the United Nations addressed to the Secretary-General, transmitting the documents of the twenty-ninth session of the Islamic Conference of Foreign Ministers, held at Khartoum from 25 to 27 June 2002 (A/57/422-S/2002/1064);

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(d) Letter dated 23 September 2002 from the Permanent Representative of Venezuela to the United Nations addressed to the Secretary-General, transmitting the Declaration adopted by the Ministers for Foreign Affairs of the Group of 77 at their twenty-sixth annual meeting, held at United Nations Headquarters on 19 September 2002 (A/57/444).

4. At the 23rd meeting, on 1 November, the Director of the Division for Economic and Social Council Support and Coordination of the Department of Economic and Social Affairs made an introductory statement (see A/C.2/57/SR.23).

## II. Consideration of draft resolutions A/C.2/57/L.29 and A/C.2/57/L.84

5. At the 27th meeting, on 7 November, the representative of Venezuela, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Role of the United Nations in promoting development in the context of globalization and interdependence" (A/C.2/57/L.29), which read:

"*The General Assembly*,

"*Reaffirming* its resolutions 53/169 of 15 December 1998, 54/231 of 22 December 1999, 55/212 of 20 December 2000 and 56/209 of 21 December 2001 on the role of the United Nations in promoting development in the context of globalization and interdependence,

"*Recalling* the United Nations Millennium Declaration, adopted by the heads of State and Government on 8 September 2000,

"*Recalling also* its resolution 56/210 B of 9 July 2002, in which it endorsed the Monterrey Consensus, adopted by the International Conference on Financing for Development, on 22 March 2002,

"*Emphasizing* that the central challenge faced by the international community today is to ensure that globalization becomes a positive force for all, towards the shared goal to eradicate poverty, achieve sustained economic growth and promote sustainable development,

"*Expressing concern* about the continued marginalization of a large number of developing countries, in particular the least developed countries, the landlocked developing countries and small island developing States, from the benefits of globalization, the additional vulnerability of those developing countries that are integrating into the world economy and the persistent income and technological gaps between developed and developing countries, as well as within countries,

"*Emphasizing* the need to address those imbalances and asymmetries in international finance, trade, technology and investment patterns that have a negative impact on development prospects for developing countries,

"*Stressing* that the process of reform for a strengthened and stable international financial architecture should be based on broad participation in a genuine multilateral approach, involving all members of the international

community, to ensure that the diverse needs and interests of all countries are adequately represented,

"1. *Takes note with appreciation* of the report of the Secretary-General;

"2. *Reaffirms* that the United Nations, as a universal forum, has a central role in addressing the challenges of promoting development in the context of globalization and interdependence, including, in particular, promoting a more equitable sharing of the benefits of globalization and in advancing policy coherence on global development issues;

"3. *Recognizes* that only through broad and sustained efforts, including policies and measures at the global level to create a shared future based upon a common humanity in all its diversity, can globalization be made fully inclusive and equitable and thus have a positive impact on development;

"4. *Recognizes also* the right of member countries to choose independently their own ways to development and to determine, in the light of their own national conditions, the modality, sequence and pace of their own liberalization process;

"5. *Reaffirms* the commitment to create an environment at both the national and the global levels that is conducive to development and to the elimination of poverty, inter alia, good governance within each country and, at the international level, transparency in the financial, monetary and trading systems and commitments to an open, equitable, rule-based, predictable and non-discriminatory multilateral trading and financial system;

"6. *Underlines* the need to ensure the effective participation of developing countries in international economic decision-making and norm-setting processes and institutions and to identify concrete modalities for the implementation of the recommendations contained in the Monterrey Consensus in this regard;

"7. *Stresses* the urgent need to mitigate the negative consequences of globalization and interdependence of all developing countries, in particular the African countries, the least developed countries, the landlocked developing countries and small island developing States;

"8. *Welcomes* the decision taken by the Development Committee contained in paragraph 10 of its communiqué issued on 28 September 2002, to consider at its next meeting pragmatic and innovative ways to enhance further the participation of developing countries in international decision-making and norm-setting, and urges those countries to bear in mind the principles of justice, equity, democracy, participation, transparency, accountability and inclusion as contained in the Monterrey Consensus;

"9. *Calls* for the effective addressing of globalization through, inter alia, making the decision-making process of international economic and financial policy more participatory, especially with regard to developing countries, the integrated consideration of trade, finance, investment, technology transfer and developmental issues by the relevant international institutions, the continuation of a wide range of reforms in the international financial system and further progress towards liberalization and enhanced market access in areas and for products of particular interest to developing

countries, and, to this end, also calls for coherence and close cooperation among the United Nations, the Bretton Woods institutions and the World Trade Organization;

"10. *Expresses concern* at the adoption by developed countries of a number of unilateral actions that harm the export potential of developing countries and have a serious bearing on the substantive content of the post-Doha process, in particular the achievement of the development dimension of the trade negotiations;

"11. *Calls upon* all countries, in particular the major developed economies, to enhance coherence among their financial, investment, trade and development cooperation policies, with a view to enhancing the development prospects of developing countries;

"12. *Stresses* the need to promote corporate responsibility and accountability, including through effective national regulations and the development of multilateral agreements, and to support continuous improvement in corporate practices in all countries;

"13. *Stresses also* the role of the United Nations in addressing the digital divide in the context of globalization and the development process of developing countries and in promoting coherence and synergies between various regional and international initiatives, including the United Nations Information and Communication Technologies Task Force and the Digital Opportunities Task Force;

"14. *Urges* developed countries to assist developing countries in narrowing the digital divide, creating digital opportunities and harnessing the potential of information and communication technologies for development, through technology transfer and the provision of financial and technical support;

"15. *Strongly urges* the international community to take all necessary and appropriate measures, including support for structural and macroeconomic reform, foreign direct investment, enhanced official development assistance, the search for a durable solution to the external debt problem, market access, capacity-building and the dissemination of knowledge and technology, in order to achieve the sustainable development of developing countries, in particular the African countries as well as the least developed countries, the landlocked developing countries and small island developing States, and to promote their full participation in the global economy;

"16. *Reaffirms its resolve* to give greater opportunities to the private sector, non-governmental organizations and civil society in general to contribute to the realization of the goals and programmes of the United Nations and thereby to enhance opportunities and offset the negative economic and social consequences of globalization;

"17. *Emphasizes* the importance of understanding the regional dimension in efforts to enhance global economic governance, inter alia, through enhancing the role of regional commissions in facilitating the sharing of experiences and best practices;

"18. *Invites* the international community to provide increased technical assistance and financial resources to developing countries in support of their efforts to build institutional capacities;

"19. *Calls upon* the United Nations system to enhance its support at the country level for capacity-building activities in developing countries and to strengthen coordination of its efforts in this regard;

"20. *Invites* all countries, as well as the United Nations, the Bretton Woods institutions and the World Trade Organization, within their respective mandates, to continue to strengthen interactions with civil society, including the private sector and non-governmental organizations, as important partners in development;

"21. *Stresses* the importance of continued substantive consideration of the item on globalization and interdependence;

"22. *Requests* the Secretary-General to report to the General Assembly at its fifty-eighth session on globalization and interdependence, on the consequences of economic slow-down in developed countries and its impact on poverty and development in developing countries;

"23. *Decides* to include in the provisional agenda of its fifty-eighth session the item entitled 'Globalization and interdependence'."

6. At the 44th meeting, on 11 December, the Vice-Chairman of the Committee, Abdellah Benmellouk (Morocco), introduced a draft resolution entitled "Role of the United Nations in promoting development in the context of globalization and interdependence" (A/C.2/57/L.84), which he submitted on the basis of informal consultations held on draft resolution A/C.2/57/L.29.

7. Before the adoption of the draft resolution, a statement was made by the representative of the United States of America (see A/C.2/57/SR.44).

8. At the same meeting, the Committee adopted draft resolution A/C.2/57/L.84 (see para. 11).

9. In the light of the adoption of draft resolution A/C.2/57/L.84, draft resolution A/C.2/57/L.29 was withdrawn by its sponsors.

10. After the adoption of the draft resolution, a statement was made by the representative of Venezuela on behalf of the States Members of the United Nations that are members of the Group of 77 and China (see A/C.2/57/SR.44).

## III. Recommendation of the Second Committee

11. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

## Role of the United Nations in promoting development in the context of globalization and interdependence

*The General Assembly*,

*Reaffirming* its resolutions 53/169 of 15 December 1998, 54/231 of 22 December 1999, 55/212 of 20 December 2000 and 56/209 of 21 December 2001 on the role of the United Nations in promoting development in the context of globalization and interdependence,

*Recalling* the United Nations Millennium Declaration, adopted by the heads of State and Government on 8 September 2000,[1]

*Recalling also* its resolution 56/210 B of 9 July 2002, in which it endorsed the Monterrey Consensus of the International Conference on Financing for Development,[2] the Johannesburg Declaration on Sustainable Development[3] and the Johannesburg Plan of Implementation,[4] as well as the outcomes of the other major United Nations conferences and summits,

*Recognizing* the challenges and opportunities of globalization and interdependence,

*Expressing concern* about the marginalization of a large number of developing countries from the benefits of globalization, the additional vulnerability of those developing countries that are integrating into the world economy and the general accentuation of the income and technological gap between developed and developing countries, as well as within countries,

*Recognizing* that globalization and interdependence are opening new opportunities through trade, investment and capital flows and advances in technology, including information technology, for the growth of the world economy, development and the improvement of living standards around the world, and recognizing also that some countries have made progress in successfully adapting to the changes and have benefited from globalization,

*Recognizing further* the importance of appropriate policy responses at the national level by all countries to the challenges of globalization, in particular by pursuing sound macroeconomic and social policies, noting the need for support from the international community for the efforts of the least developed countries, in particular to improve their institutional and management capacities, and recognizing that all countries should pursue policies conducive to economic growth and to promoting a favourable global economic environment,

*Stressing* that such national macroeconomic and social policies can yield better results with international support and with an enabling international economic environment,

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[1] See resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1), chap. I, resolution 1, annex.

[4] Ibid., resolution 2, annex.

*Emphasizing* the need to address those imbalances and asymmetries in international finance, trade, technology and investment patterns that have a negative impact on development prospects for developing countries with a view to minimizing such impacts,

*Noting with serious concern* that a large number of developing countries have not yet been able to reap the full benefits of the existing multilateral trading system, and underlining the importance of promoting the integration of developing countries into the world economy so as to enable them to take the fullest possible advantage of the trading opportunities arising from globalization and liberalization,

*Stressing* that the process of reform for a strengthened and stable international financial architecture should be based on broad participation in a genuine multilateral approach, involving all members of the international community, to ensure that the diverse needs and interests of all countries are adequately represented,

*Underlining* the urgent need to mitigate the negative consequences of globalization and interdependence for all developing countries, including landlocked developing countries, small island developing States and, in particular, African countries and the least developed countries,

*Reiterating* that the United Nations, as a universal forum, is in a unique position to achieve international cooperation by addressing the challenges of promoting development in the context of globalization and interdependence, in particular by promoting a more equitable sharing of the benefits of globalization,

1. *Takes note with appreciation* of the report of the Secretary-General;[5]

2. *Reaffirms* that the United Nations has a central role in promoting international cooperation for development and in promoting policy coherence on global development issues, including in the context of globalization and interdependence;

3. *Recognizes* that only through broad and sustained efforts at all levels, including policies and measures at the national and global levels to create a shared future based upon a common humanity in all its diversity, can globalization be made fully inclusive and equitable and thus have a positive impact on development;

4. *Reaffirms* the need to improve mutual supportiveness by fulfilling the commitments made, as agreed, at all United Nations conferences and summits, including the United Nations Millennium Declaration,[1] in order to promote sustained economic growth and sustainable development in the context of globalization and interdependence;

5. *Underlines* that in order to make globalization work for all it is essential to invest in basic economic and social infrastructure, social services and social protection, including education, health, nutrition, shelter and social security programmes, which take special care of children and older persons and are gender-sensitive and fully inclusive of the rural sector and all disadvantaged communities and are vital for enabling people, especially people living in poverty, to better adapt to and benefit from changing economic conditions and opportunities;

[5] A/57/287.

6. *Also underlines* the critical need to reinforce national efforts in capacity-building in developing countries and countries with economies in transition in such areas as institutional infrastructure, human resource development, public finance, mortgage finance, financial regulation and supervision, basic education, public administration, social and gender budget policies, early warning and crisis prevention, and debt management;

7. *Stresses* the need for the United Nations system to continue to address the social dimension of globalization, and in that regard encourages the International Labour Organization's work on the social dimension of globalization;

8. *Recognizes* the right of member countries to choose independently their own paths to development and national poverty reduction strategies;

9. *Reiterates* that success in meeting the objectives of development and poverty eradication depends, inter alia, on good governance within each country and at the international level, that sound economic policies, solid democratic institutions responsive to the needs of the people and improved infrastructure are the basis for sustained economic growth, poverty eradication and employment creation, and that transparency in the financial, monetary and trading systems and the commitment to an open, equitable, rule-based, predictable and non-discriminatory multilateral trading and financial system are equally essential;

10. *Notes* that important international efforts are under way to reform the international financial architecture; emphasizes that those efforts need to be sustained with greater transparency and the effective participation of developing countries and countries with economies in transition and that one major objective of the reform is to enhance financing for development and poverty eradication; underscores the commitment set forth in paragraph 53 of the Monterrey Consensus of the International Conference on Financing for Development[2] to sound domestic financial sectors, which make a vital contribution to national development efforts, as an important component of an international financial architecture that is supportive of development;

11. *Takes note* of the Development Committee communiqué dated 28 September 2002, in particular paragraph 10 on the need to identify pragmatic and innovative ways to further enhance participation of developing countries and countries with economies in transition in international decision-making and norm-setting, and encourages all relevant international financial institutions to take concrete measures to that end;

12. *Welcomes* the commitment by all countries to promote national and global economic systems based on the principles of justice, equity, democracy, participation, transparency, accountability and inclusion, as contained in the Monterrey Consensus;

13. *Calls* for the integrated consideration of trade, finance, investment, technology transfer and developmental issues, and to that end re-emphasizes the urgency of coherent action by the United Nations, the Bretton Woods institutions and the World Trade Organization, as appropriate, along with the action of Governments, to promote equitable and broad sharing in the benefits of globalization, taking into account the specific vulnerabilities, concerns and needs of developing countries;

14. *Expresses concern* about the adoption of a number of unilateral actions which are not consistent with World Trade Organization rules, harm the export of all countries, in particular that of developing countries, and have a considerable bearing on the ongoing World Trade Organization negotiations and on the achievement and further enhancement of the development dimension of the trade negotiations;

15. *Stresses* the special importance of creating an enabling international economic environment through strong cooperative efforts by all countries and institutions to promote equitable economic development in a world economy that benefits all people, and in that context invites developed countries, in particular major industrialized countries, which have significant weight in influencing world economic growth, when formulating their macroeconomic policies, to take into account whether their effects in terms of the external economic environment would be favourable to growth and development;

16. *Stresses* the need to promote corporate responsibility and accountability, including through the full development and effective implementation of intergovernmental agreements and measures, international initiatives and public-private partnerships, and appropriate national regulations, and to support continuous improvement in corporate practices in all countries;

17. *Also stresses* the role of the United Nations in addressing the digital divide in the context of globalization and the development process of developing countries and in promoting coherence and synergies between various regional and international initiatives, including the United Nations Information and Communication Technologies Task Force and the Digital Opportunities Task Force;

18. *Urges* developed countries to assist developing countries and countries with economies in transition in narrowing the digital divide, creating digital opportunities and harnessing the potential of information and communication technologies for development, through technology transfer on mutually agreed terms and the provision of financial and technical support, and in that context to support the World Summit on the Information Society;

19. *Encourages* developing countries to continue to pursue appropriate development policies to promote economic development and poverty eradication, and in that regard invites the international community to pursue strategies that support those policies through continued efforts to address the problems of market access, persistent external debt, transfer of resources, financial vulnerability and declining terms of trade;

20. *Strongly urges* the international community to take all necessary and appropriate measures, including support for structural and macroeconomic reform, foreign direct investment, enhanced official development assistance, the search for a durable solution to the external debt problem, market access, capacity-building and the dissemination of knowledge and technology, in order to achieve sustainable development and promote the participation in the global economy of all African countries, as well as the least developed countries, the landlocked developing countries and small island developing States;

21. *Emphasizes* the importance of recognizing and addressing the specific concerns of countries with economies in transition so as to help them to benefit from globalization with a view to their full integration into the world economy;

22. *Reaffirms* its resolve to give greater opportunities to the private sector, non-governmental organizations and civil society in general to contribute to the realization of the goals and programmes of the United Nations and thereby to maximize opportunities and mitigate the negative economic and social consequences of globalization;

23. *Emphasizes* the importance of understanding the regional dimension in efforts to enhance global economic governance, inter alia, through fully utilizing the potential of regional commissions in facilitating the sharing of experiences and best practices, within their respective mandates;

24. *Invites* the international community to provide increased technical assistance and financial resources to developing countries in support of their efforts to build institutional capacities;

25. *Calls upon* the United Nations system to enhance its support at the country level for capacity-building activities in developing countries and to strengthen coordination of its efforts in that regard;

26. *Invites* all countries, as well as the United Nations, the Bretton Woods institutions and the World Trade Organization, within their respective mandates, to continue to strengthen interactions with civil society, including the private sector and non-governmental organizations, as important partners in development;

27. *Requests* the Secretary-General to report to the General Assembly at its fifty-eighth session on the effect of the increasing linkages and interdependence among trade, finance, knowledge, technology and investment on poverty eradication and sustainable development in the context of globalization, and to make action-oriented recommendations;

28. *Decides* to include in the provisional agenda of its fifty-eighth session the item entitled "Globalization and interdependence".